



Questions and Answers **about Health Savings Accounts**

1. What is a Health Savings Account?

Health Savings Accounts (HSAs) were an element of the Medicare Prescription Drug Improvement and Modernization Act of 2003. HSAs are accounts to which individuals can make tax-deductible cash contributions. These funds can then be used to reimburse the individual (tax free) for qualifying medical expenses.

2. Who can set up a Health Savings Account?

Only individuals who are covered under a "high deductible" health plan (and *not* covered by any other health plan, such as that of a spouse's employer) will be allowed to contribute to an HSA. A health plan will qualify as a "high deductible" health plan if it has a deductible of at least \$1,000 and a deductible of at least \$2,000 for family coverage.

Only individuals who NOT yet eligible for Medicare can qualify to contribute to an HSA.

3. Where can I get more information about Health Savings Accounts?

For more information on Health Savings Accounts, contact your financial consultant or visit the US Department of Treasury's web site: <http://www.treas.gov/press/releases/reports/1061hsafactsheet.pdf>